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C O N F I D E N T I A L PRETORIA 003543

SIPDIS

DEPT FOR AF/S B. NEULING AND M. TABLER-STONE, EB/IFD, EB/OMA
LONDON, PARIS, BRUSSELS FOR AFRICA WATCHERS

E.O. 12958: DECL: 08/30/2015

TAGS: [PREL](#) [PHUM](#) [ECON](#) [KDEM](#) [ZI](#) [SF](#)

SUBJECT: SOUTH AFRICA DENIES PAYING ZIMBABWE'S IMF BILL;
GONO SAYS GOZ PAID DEBT ITSELF

REF: A. 8/30 NEULING-RIPLEY EMAILS

[1](#)B. PRETORIA 3141 AND PREVIOUS

Classified By: Charge d'Affaires, a.i. Don Teitelbaum
Reasons 1.4(b) and (d)

[1](#)1. (C) Per reftel A, the IMF reported to the USG August 29 that Zimbabwe paid \$120 million toward its IMF debt. South African Department of the Treasury officials that Post contacted August 30-31 were unaware of any South Africa payments on behalf of Zimbabwe to the IMF. Zimbabwean Central Bank Governor Gideon Gono told Strive Masiyiwa (see bio-note below) August 31 that the Government of Zimbabwe (GOZ) paid the loan itself without outside assistance. In an August 31 telcon with PolOff, Masiyiwa said that Gono told him he had "starved" the nation of fuel and other key items to accumulate the hard currency. IMF staff were not aware of the GOZ reserves because they were accumulated only since June 30. Gono said that South Africa was not aware of the payment; only President Mugabe, Gono, and two Central Bank advisors knew of the plan. Even Finance Minister Murerwa was not aware until late August 29. Gono told Masiyiwa that the GOZ made the payment as a "matter of national sovereignty." Masiyiwa said that Gono was excited and very upbeat about the news.

[1](#)2. (C) Comment: The payment of a chunk of Zimbabwe's IMF debt seems to take the wind out of the sails of the South African-Zimbabwe loan negotiations (reftel B). While the GOZ still owes some \$170 million to the IMF and desperately needs food, agricultural inputs, fuel, and electricity, the IMF payment (and resulting diminishing of expulsion threat) removes a key SAG leverage point. South Africa may still make a loan/grant, but may have to abandon its political conditions. Gono's story (through Masiyiwa) that the GOZ paid its own IMF debt is possible, but it also is possible that other, unspecified parties made contributions that both they and Zimbabwe want to keep secret. End Comment.

[1](#)3. (C) Bio-Note: Strive Masiyiwa is a Zimbabwean businessman and Chief Executive Officer of Econet Wireless, an international telecommunications company. He lives in South Africa in political exile. While a fierce opponent of the Mugabe regime and MDC supporter, Masiyiwa remains in contact with some GOZ officials, including Gono, who was once a member of his corporate board. End Bio-Note.
TEITELBAUM